

May 28, 2014

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Ave. N1058 (B)
Indianapolis, IN 46204

Dear Barry,

We have completed the 2014 ratio study for Clay County's annual adjustment. We used every sale that was deemed valid for the period January 1, 2012 – February 28, 2014 including multi parcel sales and sales that were vacant at the time of sale but are now improved. The market in Clay County is static, the sales that are occurring, outside of family and forced sales, are not increasing but stable exhibiting more typical marketing times. We followed approved methods of reviewing parcels sold over the last couple of years to test for the necessity of time adjustments to the 2012 sales used. Given the limited number of occurrences of the same parcel selling in consecutive years and the knowledge of the static nature of property sales in Clay County, we determined that no time adjustment was necessary.

Residential Vacant and Improved

Given the limited number of vacant sales, we resorted to utilizing the land to building ratio methodology to verify the accuracy of the land values. The land values for improved residential parcels are consistently within 16%-22% with the median at 18%. No factor was applied to the land values. New neighborhoods have been created for new subdivisions, row-type dwellings and mobile home parks and factors applied when necessary to bring the neighborhoods within IAAO standards. Foreclosed sales have been reviewed by neighborhood to determine if that was the normal market for the area.

For improved residential parcels, we concluded the following: Brazil Twp had an adequate number of sales and could stand on its own; Cass Twp, Jackson Twp, Sugar Ridge Twp, and Washington Twp were combined based upon location and similarity of economic characteristics; Dick Johnson Twp and Van Buren Twp were combined based upon location and similarity of economic factors; Harrison Twp and Lewis Twp were combined based upon location and similarity of economic factors; Perry Twp and Posey Twp were combined based upon location and similarity of economic factors.

Commercial and Industrial Vacant and Improved

The majority of Commercial and Industrial parcels are in one township and a very low level of sale activity is taking place. Because of the lack of sales Commercial and Industrial properties, the extrapolation method and the land to building ratio were used to verify that the land was reasonable for the market. No adjustment was made to the land.

Large Percent Change Areas

In an effort to address questions that you may have regarding areas and classes of properties that increased or decreased greater than 10%, I am proactively including explanations with this narrative. Below are areas that met this criteria:

TWP	Class	Prior Yr AV	Current Yr AV	Percent Change
Cass	ResVac	\$121,400	\$107,700	-11%

Parcel 11-05-31-200-008.002-003 was improved last year; improvements removed in 2014

Jackson	ComVac	\$304,200	\$107,100	-65%
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11-04-31-200-001.000-007 and 11-04-31-200-006.000-007 were both improved last year; improvements removed in 2014

Lewis	ComImp	\$459,100	\$578,800	+26%
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11-12-36-400-011.001-009 had no assessed value in 2013; \$121,100 added in 2014

Perry	ResImp	\$23,642,600	\$26,999,400	+14%
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The median increase for this category is 12% due to trending from sales info; the remaining increase is due to new construction

Perry	ResVac	\$208,000	\$159,400	-23%
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11-08-33-100-003.004-010 and 11-08-23-200-006.000-010 both were valued as improved lots in 2013; in 2014, the land was corrected to reflect unimproved land valuation

Posey	IndImp	\$927,000	\$817,400	-12%
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All three parcels were reduced by increased depreciation

Summary

All residential neighborhoods were reviewed and trending factors were applied accordingly.

We have included an explanation of sales that were originally submitted as valid and later deemed invalid. In addition, we included an explanation of sales that were originally deemed invalid and later deemed valid.

If you have any questions, please contact me.

Respectfully,

William A. Birkle, AAS
Tyler Technologies

cc: D. Mark Barnhart, Clay County Assessor